

### **Supportive Housing for the Elderly (Section 202)**

Provides capital advances and contracts for project rental assistance to expand the supply of affordable housing with supportive services for very-low income elderly persons.

**Nature of Program:** To expand the supply of affordable housing with supportive services for very-low income elderly persons, the Section 202 program provides capital advances and project rental assistance contracts to eligible applicants. Section 202 capital advance funds must be used to finance the development of housing through new construction, rehabilitation, or acquisition with or without rehabilitation. Capital advance funds may be used in combination with other non-Section 202 funding sources leveraged by a single purpose and single-asset for-profit limited partnership (of which a private nonprofit organization or a corporation wholly owned and controlled by a private nonprofit organization is the sole general partner) to develop a mixed-finance project. Capital advance funds bear no interest and repayment is not required as long as the housing remains available for occupancy by very low-income elderly persons for at least 40 years.

To ensure affordability, project rental assistance funds are provided to cover the difference between the HUD-approved operating costs and the amount the residents pay (each resident pays 30 percent of adjusted income). Project rental assistance funds may also be used to provide supportive services and to hire a service coordinator. The supportive services must be appropriate to the varying needs of the elderly residents and must allow for persons to age-in-place and live independently.

**Applicant Eligibility:** Private, nonprofit organizations and consumer cooperatives may qualify for assistance, and may partner with private, for-profit entities so long as the sole general partner is a nonprofit organization that meets the statutory requirements. Occupancy is open to very low-income households which include at least one person 62 years of age or older.

**Legal Authority:** Section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by section 210 of the Housing and Community Development Act of 1974 (Public Law 86-372); section 801 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625); the Housing and Community Development Act of 1992 (Public Law 102-550); the Rescissions Act (Public Law 104-19); the American Homeownership and Economic Opportunity Act of 2000 (Public Law 106-569); the Housing and Economic Recovery Act of 2008 (Public Law 110-289); and the Section 202 Supportive Housing for the Elderly Act of 2010 (Public Law 111-372). Regulations are at 24 CFR part 891.

**Administering Office:** Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

**Information Sources:** Administering office and HUD field offices.

On the Web:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/progdesc/eld202](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/eld202)

**Current Status:** Active.